

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

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October 31, 2008

File No.: 01.060.A04771.065.2008-2-0049

Mr. Steve Poizner, Insurance Commissioner
California Department of Insurance
300 Capitol Mall, Suite 1700
Sacramento, CA 95815

Dear Commissioner Poizner:

Enclosed is the Organized Automobile Fraud Activity Interdiction ("Urban Grant") Program Annual Report for fiscal year 2007/08, which is mandated by Assembly Bill (AB) 1050 (Chapter 885, 1999). This report, which is provided for informational purposes only, contains information on the Department's program expenditures and statistics regarding task force activities.

If you have any questions regarding this report, please do not hesitate to contact Chief Debbie Vertar, commander of our Enforcement Services Division, at (916) 445-3253.

Sincerely,

A handwritten signature in black ink that reads "J. A. Farrow".

J. A. FARROW
Commissioner

Enclosures

M e m o r a n d u m

Date: October 30, 2008

To: Assistant Commissioner, Staff

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Enforcement Services Division

File No.: 060.A04771.065.2008-2-0049

Subject: ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION (URBAN GRANT) AB 1050 PROGRAM - FISCAL YEAR 2007/08 ANNUAL REPORT

Attached is the Organized Automobile Fraud Activity Interdiction Program ("Urban Grant") Annual Report for fiscal year 2007/08, which is mandated by legislation, contained in Assembly Bill (AB) 1050. This legislation requires the California Highway Patrol to provide an annual report of program expenditures to the Commissioner of the Department of Insurance. This annual report, which is provided for informational purposes only, contains information and statistics regarding task force activities, as well as the Department's expenditure of program funds. Any questions concerning this information should be directed to Captain Mark Brunet, Field Support Section, at (916) 445-0752.


D. A. VERTAR, Chief

Attachments

SCHEDULE A

BUDGET ANALYSIS

Project Name: AB 1050 - ORGANIZED CRIME AND VICTIM PROTECTION PROGRAM

Project Number
75022

Fiscal Year: 2007-2008 FOR THE PERIOD ENDING 6/30/08

ADDITIONAL JULY BILLING
FM3 ADDITIONS

	PROJECT BUDGET	EXPENDITURES YEAR-TO-DATE	YEAR-TO-DATE ENCUMBRANCES	PROJECT BALANCE
<u>PERSONAL SERVICES</u>				
Salaries & Wages:				
Uniform	816,000	749,073		66,927
Overtime:				
Uniform	150,000	127,716		22,284
Less: Salary Savings	0	0		0
Subtotal Personal Services	966,000	876,789	0	89,211
<u>STAFF BENEFITS</u>				
OASDI	0	0		0
Health, Dental & Vision	89,000	95,320		-6,320
Retirement	306,000	286,236		19,764
Workers' Compensation	61,000	70,713		-9,713
Industrial Disability	600	0		600
Benefit Adj.	1,000	-8,902		9,902
Medicare Taxation	14,000	12,713		1,287
Sub-total Staff Benefits	471,600	456,080	0	15,520
TOTAL PERSONAL SERVICES	1,437,600	1,332,869	0	104,731
<u>OPERATING EXPENSES</u>				
General Expense	5,000	655		4,345
Printing	3,000	0		3,000
Communications	0	0		0
Travel-In-State	6,000	4,250		1,750
Travel Out-of-State	0	0		0
Training	10,000	3,594		6,406
MIS/Data Processing	5,000	0		5,000
Subsistence & Personal Care	7,700	3,480		4,220
Vehicle Operations	90,000	107,566		-17,566
Total Operating Expenses	126,700	119,546	0	7,154
<u>EQUIPMENT</u>	290,000	149,900	0	140,100
O E & E TOTAL	416,700	269,446	0	147,254
TOTAL PROGRAM	1,854,300	1,602,315	0	251,985

Note: 10 Uniformed Positions

400-000-001
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400-000-021

Balance

66,927.00 +
22,284.00 +
82,211.00 +

6,520.00 -
12,754.00 +
2,713.00 -
600.00 +
9,902.00 +
1,246.00 +
15,520.00 +

82,211.00 +
15,520.00 +
104,731.00 +

4,345.00 +
3,800.00 +
1,750.00 +
6,405.00 +
5,000.00 +
4,220.00 +
17,565.00 -
7,155.00 +

0.2

0.2

Spending

742,000.00
127,715.00
870,715.00

92,520.00 +
286,237.00 +
72,713.00 +
8,002.00 -
12,713.00 +
450,000.00 +

876,782.00 +
450,000.00 +
1,352,802.00 +

655.00 +
4,250.00 +
3,524.00 +
3,480.00 +
107,500.00 +
112,515.00 +

1,352,802.00 +
112,515.00 +
142,000.00 +
1,607,317.00 +

SCHEDULE B

ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION PROGRAM

ACTIVITY SUMMARY FOR EACH COUNTY'S TASK FORCE

Fiscal Year 2007-08

County	Cases Investigated	Cases Prosecuted	Arrests	Convictions
Alameda	98	41	40	29
Los Angeles	41	37	36	83
Riverside	29	13	11	16
Sacramento	71	23	23	16
San Bernardino	29	40	47	34
San Diego	190	75	41	47
San Francisco	24	3	3	2
Santa Clara	57	33	27	23
TOTAL	539	265	228	250

Source: Department of Insurance - Fraud Division



ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION (URBAN GRANT) AB 1050 PROGRAM

The funding mechanism, as mandated by AB 1050, is based upon an annual imposition of fifty cents (\$.50) on each insurer doing business in the state, for each vehicle insured under an insurance policy issued by the insurer. Assembly Bill 1050, which became effective January 1, 2000, legislatively mandates 15 percent of all revenues, approximately \$1.9 million, be used by the CHP to increase its investigative efforts to combat automobile fraud activity.

BUDGET ANALYSIS

The CHP conducts fiscal accountability tracking for its uniformed members who participate in the AB 1050, Organized Automobile Fraud Activity Interdiction Program. A total of ten officer positions have been allocated for this purpose. Los Angeles County has three positions assigned to the task force, San Diego County has two positions allocated, and four counties (Riverside, San Bernardino, Sacramento, and San Francisco) have one position each assigned to the respective task force. Alameda County and Santa Clara County share one officer dedicated to task force functions. This fiscal accountability tracking includes the following: Personal Services/Wages, Staff Benefits, Operating Expenses and Equipment.

The attached **Schedule A** represents the year-end totals for fiscal year 2007/08.

ACTIVITY SUMMARY

The CHP tracks and reviews the activity of the AB 1050, Organized Automobile Fraud Activity Interdiction Program. In doing so, the CHP has established a cohesive rapport with the task force and provides support when needed.

The attached **Schedule B** represents the activity summary for fiscal year 2007/08.

CONCLUSION

This cooperative effort has yielded very positive results for law enforcement agencies and insurance carriers in California. Organized automobile fraud threatens Californians' safety and has tremendous impact financially. As these crimes continue to manifest themselves, they must be matched with sound investigation. Ongoing use of these resources will continue to deter organized automobile fraud.